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Flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development

Report of the Secretary-General

Summary

The present report responds to a request made at the twenty-eighth session of the Commission on Population and Development for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development. It also complies with General Assembly resolutions 49/128 and 50/124 in which the Assembly called for the preparation of periodic reports on those financial resource flows.

The report examines trends in bilateral, multilateral and foundation/non-governmental assistance to population activities in developing countries for 1998 and provisional figures for 1999 and provides estimates of domestic expenditures reported by developing countries for 1999.

International population assistance increased to just over $2.1 billion in 1998 and to almost $2.2 billion in 1999. While the increase is encouraging, it should be pointed out that the level of assistance has remained around $2 billion since 1995 and is far below the agreed target of $5.7 billion by 2000.

Developing countries continued to commit domestic resources to population programmes. In 1999, domestic government and non-governmental expenditures were estimated at $8.9 billion, an increase over the 1998 level of $8.6 billion, but also below the agreed target. The domestic estimate should be treated with caution, because the data are far from complete and not entirely comparable with those on international assistance. It should be noted that most of the domestic resource flows originate in a few large countries. Together, external assistance and domestic expenditures for population activities yielded a global estimate of around $11 billion in 1999.

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Contents

		Paragraphs	Page
I.	Introduction	1–6	3
II.	External assistance for population activities	7–25	4
	A. Trends in donor country assistance	11–17	6
	B. Trends in multilateral assistance	18–21	8
	C. Trends in private population assistance	22–23	9
	D. Trends in expenditures by geographical region and channel of assistance	24–25	10
III.	Domestic financial resources for population activities	26–34	11
IV.	Resource flows for other population-related activities	35–38	15
V.	Conclusions	39–43	16

Figures

I.	Trends in international population assistance, 1993-1999	5
II.	Exchange-rate changes, 1999, compared with 1993	7
III.	Trends in multilateral development loans for population activities, 1993-1999	9
IV.	Population assistance, by geographical region, 1993-1999	10
V.	Final expenditures for population assistance, by channel of distribution, 1993-1999	11

Tables

1.	External assistance for population activities, by major donor category, 1998 and 1999	5
2.	Estimates of government expenditures, by category of population activity, 1999	14
3.	Estimates of expenditures of national non-governmental organizations, by category of population activity, 1999	14

I. Introduction

1. The present report has been prepared by the United Nations Population Fund (UNFPA) in response to a request at the twenty-eighth session of the Commission on Population and Development[1] for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development (ICPD).[2] It is part of the work programme of the Commission on Population and Development and is in accordance with General Assembly resolutions 49/128 and 50/124, in which the Assembly called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

2. This report reviews the flow of financial resources in external assistance for 1998 and provides provisional figures for 1999. It also provides estimates of expenditures by governmental and non-governmental organizations in developing countries[3] for 1999. Data-collection activities for both donor and domestic resource flows were undertaken by the Netherlands Interdisciplinary Demographic Institute (NIDI) under a contract with UNFPA. Evaluation and analysis of the data were carried out jointly by NIDI and UNFPA.

Methodology

3. The data on donor assistance were gathered with the use of a detailed questionnaire mailed to some 200 donors, including donor countries, multilateral organizations and agencies, major private foundations and other non-governmental organizations that provide population assistance. Data on donor assistance for 1999 are based on responses received as of 1 February 2001. They are provisional in the sense that they are subject to change as more responses are received.

4. Information on domestic resource flows in 1999 is based on data from responses to questionnaires sent to 98 UNFPA/United Nations Development Programme (UNDP) field offices throughout the world, covering some 155 countries. A total of 54 countries provided information by 1 February 2001, representing over three quarters of the population in developing countries. Case studies conducted in selected countries as part of the resource flows project supplemented the responses to the mail inquiry.[4]

5. The report analyses external and domestic financial resource flows that are part of the "costed population package" as specified in paragraph 13.14 of the Programme of Action of the International Conference on Population and Development — namely, family planning services; basic reproductive health services; sexually transmitted diseases (STDs)/human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) prevention activities;[5] and basic research, data and population and development policy analysis. The Programme of Action estimated that the implementation of this population and reproductive health package in the developing countries and countries with economies in transition would cost US$ 17 billion[6] by the year 2000. Approximately two thirds of the projected costs would come from the countries themselves, and one third, or $5.7 billion, would come from the international donor community.

6. To avoid duplication of efforts, maximize cost-effectiveness, and minimize respondent fatigue, UNFPA/NIDI and UNAIDS coordinated data-collection activities, beginning with a selected group of respondents from the 1998 round of

questionnaires. Since the collaboration proved beneficial to all parties concerned, UNFPA/NIDI and UNAIDS continued to work together on the 1999 survey, extending their collaboration to all donors. There are plans to eventually coordinate the domestic component and the country case studies.

II. External assistance for population activities

7. In the period immediately after ICPD, international assistance for population activities increased 54 per cent, from a total of $1.3 billion in 1993 to $2 billion in 1995. In 1996, international assistance increased negligibly, to just over $2 billion. By 1997, however, it decreased for the first time since the Conference, to $1.96 billion. This slight downward trend was reversed in 1998, when the amount rose to $2.1 billion.

8. Donor countries were the largest source of primary funds, contributing $1.5 billion, or 72 per cent, in 1998. Development banks, chiefly the World Bank, provided just over $426 million (20 per cent) in the form of multi-year loans; multilateral organizations and agencies contributed $35 million, or 1.6 per cent; and private sources, especially foundations, provided $124 million, or 5.8 per cent of the total primary funds. In addition, development banks reported an expenditure of $10 million to intermediate donors for special grant programmes in population and reproductive health, of which $8.6 million was expended by the World Bank and the remainder by the Asian Development Bank.

9. Preliminary indications based on responses received to the 1999 round of questionnaires as of 1 February 2001 indicate an increase in the level of population assistance from $2.1 billion in 1998 to almost $2.2 billion in 1999. Donor countries contributed $1.4 billion, multilateral organizations and agencies reported $31 million, private sources contributed $182 million, and the development banks, chiefly the World Bank, made available $540 million in the form of multi-year loans and $9 million in the form of grants. Table 1 compares external assistance by major donor category for 1998 and 1999. Figure I provides the trends in assistance from before ICPD (1993) to 1999.[7] Data for 1999 are provisional and are subject to change as more up-to-date information becomes available. The figures are expected to increase once contributors from the World Health Organization (WHO), the Ford Foundation and several other major donors that did not reply by the cut-off date submit 1999 data. Final figures will be included in *Financial Resource Flows for Population Activities in 1999*, which will be published in the latter half of 2001.

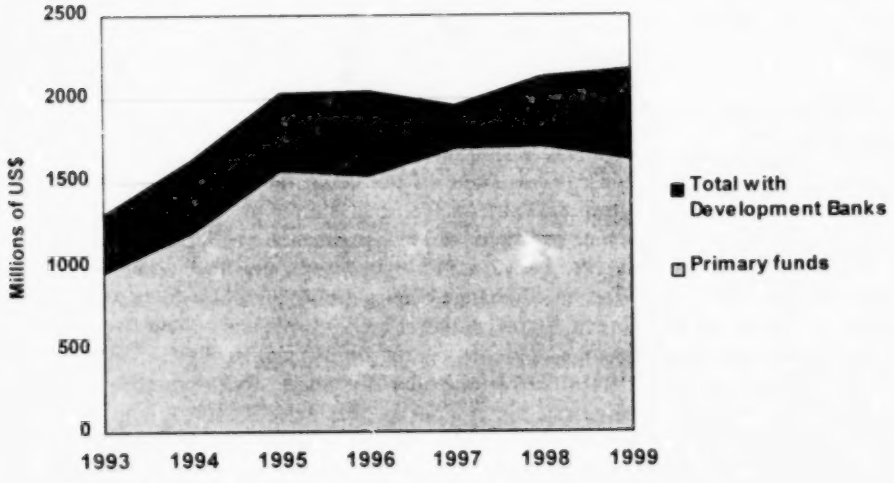
10. It should be noted that more funds are channelled to population activities than are reported here, because many integrated projects include population activities whose funding is not disaggregated by component. In recent years, it has become increasingly difficult to disaggregate the population component in integrated projects and to isolate the "costed population packages" from those activities not referred to in paragraph 13.14 of the Programme of Action. In order to capture the funds for family planning, reproductive health and HIV/AIDS services that are embedded in basic social service programmes such as nutrition, integrated health and girls' education projects, UNFPA/NIDI is continuing its dialogue with donors in an effort to reach agreement on how to estimate the population component in integrated projects.

Table 1
External assistance for population activities, by major donor category, 1998 and 1999

	1998		*1999[a]*	
	Amount (millions of United States dollars)	*Percentage*	*Amount (millions of United States dollars)*	*Percentage*
Bilateral				
Donor countries	1 539	72.1	1 413	65.0
Multilateral				
United Nations system	35	1.6	31	1.4
Private				
Foundations/NGOs	124	5.8	182	8.4
Development banks				
Grants	10	0.5	9	0.4
Loans	426	20.0	540	24.8
Total	**2 134**	**100**	**2 175**	**100**

[a] 1999 data are provisional.

Figure I
Trends in international population assistance, 1993-1999



Note: 1999 data are provisional.

A. Trends in donor country assistance

11. Bilateral assistance increased from $777 million in 1993 to over $1.5 billion in 1998, staying at about the same level as it was in 1997.[8] The United States of America continued to be the largest donor, contributing almost $620 million in population assistance in 1998, or 40 per cent of the resources of the donor countries. The United Kingdom of Great Britain and Northern Ireland was the second largest donor, contributing $126 million, or 8 per cent of funds contributed by donor countries. Other major donors in 1998 were Germany, the Netherlands, Japan, Sweden, Norway, Denmark, Australia and Canada.

12. Preliminary indications point to a decrease in total bilateral population assistance in 1999 to $1.4 billion. Of the 20 countries reporting figures for 1999, only five had increased their contributions, while 14 countries had decreased funding levels, and one country contributed the same amount in both 1998 and 1999. It should be pointed out that, of the 14 countries that registered decreases in funding levels, three had actually increased their contributions in terms of their local currencies but showed decreases in terms of the United States dollar. The five largest donors in 1999 were the United States, Germany, the Netherlands, Japan and the United Kingdom.

13. In 1999, the majority of final expenditures for population activities — 37 per cent — went to family planning services; 30 per cent was spent on basic reproductive health services; 23 per cent went to STD/HIV/AIDS activities; and 10 per cent was spent on basic research, data, and population and development policy analysis. These percentages should be treated as estimates, because, with the trend towards integration of services, it is becoming increasingly difficult to distinguish between the enumerated categories of activity. In many data recording systems reproductive health services includes family planning services and/or STD/HIV/AIDS activities. Every effort is made to report expenditures separately for the four categories.

Effects of exchange-rate variations

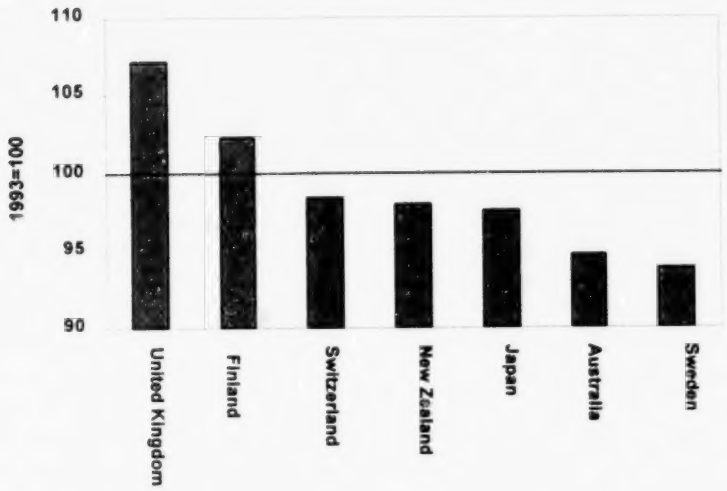
14. UNFPA uses the United States dollar as the standard currency when monitoring resource flows. As a result, some of the countries that have increased their contributions in local currencies may, in fact, be reported as having decreased them in United States dollars. For example, in 1998, Australia and Japan increased their funding levels in local currency, as did Germany, the Netherlands and Switzerland in 1999, but, due to exchange-rate variations, all five registered decreases in terms of the United States dollar. Figure II presents the effects of currency fluctuations and exchange-rate changes for 1993 (prior to ICPD) and 1999 (latest available), based on the United States dollar, for major donor countries that experienced the largest exchange-rate swings during that period. Switzerland, New Zealand, Japan, Australia and Sweden saw their currencies weaken against the dollar, while the currencies of the United Kingdom and Finland appreciated.

Population assistance as a percentage of official development assistance

15. Donor countries contributed 2.82 per cent of their total official development assistance (ODA) to population assistance in 1998, when the percentage declined for the first time in the period after ICPD. Preliminary indications are that, in 1999, this

figure declined further, to 2.48 per cent. Population programmes are thus receiving a smaller share of official development assistance. Although total ODA increased to $55.7 billion in 1999, compared to $51.7 billion in 1998, it is still slightly below the 1993 level of $56.3 billion.

Figure II
Exchange-rate changes, 1999, compared with 1993



Note: Index of local currency per US$ where 1993=100.

16. Of the 20 countries reporting in 1999, four countries — Belgium, Ireland, Italy and Spain — contributed a larger percentage of ODA for population assistance than they had in 1998. The percentage of ODA which countries earmarked for population assistance (excluding those reporting no contributions in 1999) varied from 0.15 per cent to 6.6 per cent. Three countries contributed more than 4 per cent of their total ODA for population assistance in 1999 (Finland, Norway and the United States), compared to five countries in 1998 (Australia, Finland, Norway, Sweden and the United States).

Population assistance in relation to gross national product

17. In 1998, donor countries spent, on average, $67 per million dollars of gross national product (GNP) for population assistance, down from $72 per million dollars GNP in 1997. The preliminary figure for 1999 shows a further decline, to $59 per million dollars. The average dollar amount conceals the large variation between countries, ranging from $4 to $410. Despite the decrease, the amount of money that countries spent on population assistance is still more than that spent before the International Conference on Population and Development in 1993, when it stood at $42 per million dollars of GNP.

B. Trends in multilateral assistance

Grants

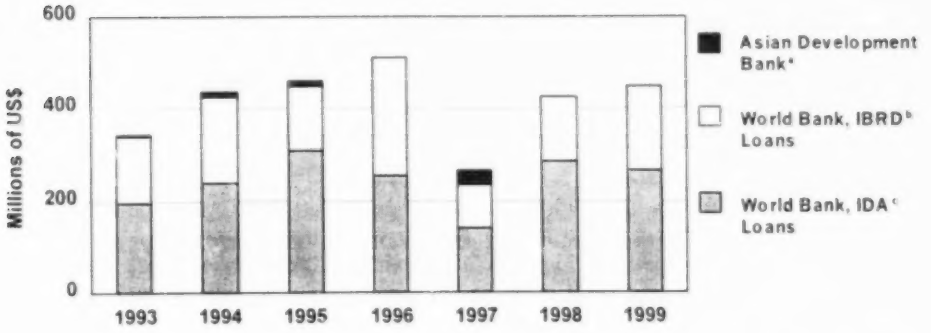
18. Multilateral assistance to population activities provided by the organizations and agencies of the United Nations system decreased to $35 million in 1998 from the 1997 figure of $49 million. This decline can partly be explained by the fact that not all United Nations agencies provided data on income for 1998. Development banks reported an expenditure of $10 million to intermediate donors for special grant programmes in population and reproductive health, of which $8.6 million was expended by the World Bank and the remainder by the Asian Development Bank. The estimated level of multilateral assistance in 1999 declined further, to $31 million. Development banks reported an expenditure of $9 million to intermediate donors for special grant programmes in 1999.

19. The significance of population assistance from multilateral organizations and agencies can best be measured by identifying the amount of funds flowing through those organizations for further distribution. In 1998, almost $355 million flowed through multilateral organizations and agencies; the preliminary figure for 1999, which does not include WHO, remains at $355 million. UNFPA is the leading provider of United Nations assistance in the population field, with $284 million flowing through the organization in 1998 and $242 million in 1999.

Loans

20. Development banks, which provide loans to developing countries, are an important source of multilateral population assistance. Their contributions are treated separately because their assistance is in the form of loans, which must be repaid, rather than grants. The banks' projects reflect multi-year commitments, recorded in the year in which they are approved but dispersed over several years. Most loans for population assistance come from the World Bank which supports such activities as reproductive health and family planning service delivery, population policy development, HIV/AIDS prevention, and fertility and health survey and census work. The World Bank's lending increased from $426 million in 1998 to $447 million in 1999. Of this amount, $265 million comprised International Development Association (IDA) loans, made at highly concessional rates, and $182 million were International Bank for Reconstruction and Development (IBRD) loans, made at rates closer to those prevailing in the market. The Inter-American Development Bank reported providing $93 million in loans for population activities in 1999 (fig. III).

Figure III
Trends in multilateral development loans for population activities, 1993-1999



Note: 1999 data are provisional.

[a] No figures are available for the Asian Development Bank for 1998 and 1999, because the Bank reported issuing loans to integrated health projects of which an undetermined amount was earmarked for population activities.

[b] International Bank for Reconstruction and Development.

[c] International Development Association.

21. The Asian Development Bank reported providing loans in the amount of $347 million for integrated primary health care programmes for which an undetermined amount was earmarked for population activities. Since it is becoming increasingly difficult to disaggregate the population component in integrated projects and to isolate the "costed population package" from those activities that are not included in paragraph 13.14 of the Cairo Programme of Action, loans that are used to finance basic social service programmes, such as general health and education, and which include family planning, reproductive health and HIV/AIDS prevention services go unrecorded, because it is not possible to disaggregate funds allocated by the four main population categories defined in the Programme of Action.

C. Trends in private population assistance

22. Private foundations, non-governmental organizations and other private organizations are also important sources of population assistance. In 1998, foundations and international non-governmental organizations contributed $124 million to population activities. The top five foundations funding population activities in 1998 were: the Ford Foundation, the David and Lucile Packard Foundation, the Rockefeller Foundation, the Bill and Melinda Gates Foundation and the Wellcome Trust.

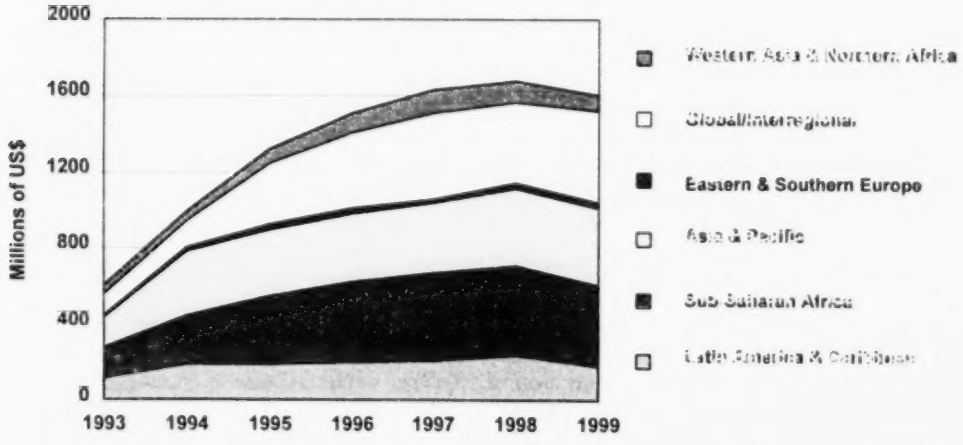
23. As of 1 February 2001, with several major foundations not yet reporting, the preliminary 1999 figure for the private sector stands at $182 million. This is

expected to increase even further as more organizations report their contributions. Several major foundations increased funding levels in 1999. Among the major donors in 1999 for which data are available: the Bill and Melinda Gates Foundation, the David and Lucile Packard Foundation, the Rockefeller Foundation, and the Wellcome Trust; the Ford Foundation had not submitted its 1999 funding levels by the publication deadline.

D. Trends in expenditures by geographical region and channel of assistance

24. Since 1995, sub-Saharan Africa has continued to receive the largest percentage of population assistance. Asia and the Pacific is the second largest recipient. Together the two regions received more than half of all international assistance in 1998. The distribution of population assistance among the other regions was as follows: Latin America and the Caribbean, 14 per cent; Western Asia and North Africa, 7 per cent; and Eastern and Southern Europe, 2 per cent. In recent years, global and interregional population activities received an increasingly larger share of international assistance, from 18 per cent before 1993 to 25 per cent in 1998. Preliminary figures for 1999 point to a similar trend, with sub-Saharan Africa receiving 27 per cent of total assistance; Asia and the Pacific, 25 per cent; Latin America and the Caribbean, 11 per cent; Western Asia and North Africa, 5 per cent; and Eastern and Southern Europe, 2 per cent. In 1999, the percentage of all population assistance that went to global and interregional activities increased to 30 per cent (fig. IV).

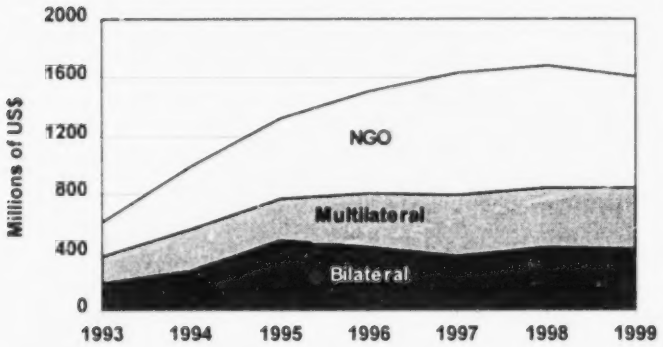
Figure IV
Population assistance, by geographical region, 1993-1999



Note: 1999 data are provisional.

25. Assistance for population programmes flows through a diverse network, moving from the primary source to the recipient country through one of the following channels: the bilateral channel, flowing directly from the donor to the recipient country Government; the multilateral channel, through United Nations organizations and agencies; and the non-governmental organization channel (both international and national), through such organizations as the International Planned Parenthood Federation (IPPF) and the Population Council. Of the total final expenditures for population activities in 1998, half was spent by international non-governmental organizations, 26 per cent was channelled through bilateral programmes, and 24 per cent was spent by multilateral organizations.[9] The non-governmental channel has remained the major channel of distribution since 1993. Provisional figures for 1999 show that the non-governmental channel continued to dominate the flow of final expenditures at 48 per cent, while the share of the bilateral and multilateral channels was evenly distributed at 26 per cent each (fig. V).

Figure V
Final expenditures for population assistance, by channel of distribution, 1993-1999



Note: 1999 data are provisional.

III. Domestic financial resources for population activities

26. The UNFPA/NIDI resource flow project continues to monitor domestic financial resource flows for population activities. Questionnaires on 1999 domestic expenditures were sent to the UNFPA/UNDP field offices for further distribution to the relevant governmental authorities and national non-governmental organization representatives. In many countries, local consultants were recruited to work with the governmental and non-governmental organizations in completing the questionnaires. Respondents were requested to focus on the International Conference on Population

and Development "costed population package" and to report only domestic financial resources.

27. A total of 54 countries provided data on domestic resource flows by the publication deadline, representing 76 per cent of the population in developing countries and countries with economies in transition. A number of Governments were unable to supply the information on domestic resource flows this year because of budget cuts and unavailability of staff. Some provided incomplete data, and others are in the process of gathering the requested information.

28. To supplement the information gathered in the annual inquiry, UNFPA/NIDI conducted case studies in Brazil, China, Egypt, Ethiopia, India, Indonesia, Pakistan, Peru, Senegal, South Africa and the United Republic of Tanzania. By providing more detailed information on how resource flows are directed towards population activities, case studies are an invaluable tool for gaining a better understanding of the progress made in implementing the financial targets of the Programme of Action. Case studies also address issues that are not readily apparent in a survey, including the sensitivity of information on financial resources, the effect of decentralization on monitoring domestic resource flows, difficulty in disaggregating the four categories of the "costed population package", the role of the private sector, and major constraints encountered.

29. UNFPA used the information gathered from countries that responded to the 1999 inquiry, reports of the case studies and supplementary data for a few large countries that had either not responded or provided incomplete data, to calculate a rough estimate of global domestic resource flows for population activities.[10] The estimate, which should be treated with caution, came to $7.8 billion. An existing estimate of the proportion of private resources in the domestic total (14 per cent), or about $1.1 billion, was added to reflect private resources. This brings the global total for domestic resource flows for population activities in 1999 to $8.9 billion.

30. Although the global figure of domestic resource flows is a crude estimate based on data that are sometimes incomplete and not entirely comparable, it is nevertheless useful in providing some idea of the progress made by developing countries, as a group, in achieving the financial resource goals of the International Conference on Population and Development. While the global total of almost $9 billion shows real commitment on the part of developing countries, it should be noted that most domestic resource flows originate in a few large countries. Many, especially in sub-Saharan Africa, and the least developed countries, are simply unable to generate the necessary resources to finance their own national population programmes. Case studies confirm that the international donor community plays an important role in financing population activities in most developing countries and that, in some countries, funding for population activities is largely donor-based. National non-governmental organizations play an increasing role in the provision of services, but they remain highly dependent on external sources.

Estimated expenditures of governmental and non-governmental organizations

31. Tables 2 and 3 provide estimates of expenditures of governmental and non-governmental organizations, by region and category of population activity, for the 54 countries that responded to the 1999 inquiry. The countries reported spending almost $3.5 billion for population activities; of that amount, $3.4 billion came from governmental sources and $117 million comprised expenditures of national non-

governmental organizations. Almost 56 per cent of governmental expenditures was allocated to family planning services; 24 per cent to basic reproductive health services; 14 per cent to sexually transmitted diseases (STDs)/HIV/AIDS activities; and 7 per cent to basic research, data and population and development policy analysis.

32. Table 2 illustrates the huge differences in both levels and patterns of governmental expenditures on population activities, by region: over three quarters of the total resources originated in the Asia and Pacific region, compared to just 1 per cent in sub-Saharan Africa. This is due to a number of factors, especially relative dependence on external assistance. The world's poorest region, sub-Saharan Africa, is much more dependent than others on external assistance to fund its population programmes. It should also be pointed out that a small number of countries account for a sizeable proportion of regional totals: in sub-Saharan Africa, for example, Kenya accounts for over 50 per cent of all governmental expenditures; in Asia and the Pacific, China accounts for 60 per cent of governmental expenditures; in Latin America and the Caribbean, Brazil accounts for over 80 per cent; in Western Asia and North Africa, Turkey accounts for 38 per cent, and in Eastern and Southern Europe, Romania accounts for over 80 per cent. Thus, the relatively high level of expenditures for family planning services in Asia can be attributed in a significant part to the expenditures of one country, China, which accounted for more than half of all such expenditures in the region. Finally, not all countries have well-developed systems for monitoring resource flows. Different recording practices, decentralized accounting systems, and difficulties in disaggregating the four categories of the "costed population package" are among the most common problems encountered in monitoring domestic resource flows. The implication is clear: the least developed countries and other low-income developing countries require a greater share of external assistance to finance population activities. Also, better recording systems are essential for the monitoring of timely and reliable data on resource flows to assist donors and developing countries identify funding gaps and coordinate donor financing policies.

33. National non-governmental organizations distributed their funds as follows: 43 per cent for family planning services; 29 per cent for basic reproductive health services; 22 per cent for STDs/HIV/AIDS activities; and 6 per cent for basic research, data and population and development policy analysis (table 3). It is clear that in developing countries the Government plays the major role by far in financing population programmes; non-governmental organizations do not play a significant financial role. They are mostly donor-dependent, with roughly 70 per cent of their income originating with international sources. Their major contribution lies in advocacy, pioneering activities and reaching people at the grass-roots level.

Table 2
Estimates of government expenditures, by category of population activity, 1999[a]

Region	*Family planning services* (Percentage)	*Basic reproductive health services* (Percentage)	*STDs and HIV AIDS activities* (Percentage)	*Basic research, data and population and development policy analysis* (Percentage)	*Total project expenditures* (Millions of US$)
Africa (sub-Saharan)	10	10	8	73	38.09
Asia and the Pacific	67	25	3	5	2 649.32
Latin America and the Caribbean	2	6	87[b]	5	424.26
Western Asia and North Africa	42	27	5	26	190.71
Eastern and Southern Europe	17	65	14	4	77.14
All regions	56	24	14	7	3 379.52

Note: Row percentages may not add to 100 due to rounding.

[a] Figures are based on the 54 countries reporting to the UNFPA/NIDI 1999 inquiry.

[b] The high percentage is due to a $335 million project on HIV/AIDS care and treatment in Brazil.

Table 3
Estimates of expenditures of national non-governmental organizations, by category of population activity, 1999[a]

Region	*Family planning services* (Percentage)	*Basic reproductive health services* (Percentage)	*STDs and HIV AIDS activities* (Percentage)	*Basic research, data and population and development policy analysis* (Percentage)	*Total project expenditures* (Millions of US$)
Africa (sub-Saharan)	35	34	27	4	36.87
Asia and the Pacific	50	22	21	7	40.16
Latin America and the Caribbean	43	32	19	7	31.39
Western Asia and North Africa	46	30	7	17	6.75
Eastern and Southern Europe	39	17	41	2	1.91
All regions	43	29	22	6	117.07

Note: Row percentages may not add to 100 due to rounding.

[a] Figures are based on the 54 countries reporting to the UNFPA/NIDI 1999 inquiry.

34. Experience over the past four years has shown that, in general, there is very little variance in domestic expenditure figures from year to year. Indeed, a number of respondents have questioned the need for an annual survey, given the fact that the data do not change much and also given the limited financial and human resources for data collection on an annual basis. Many respondents in the larger countries, especially those with decentralized accounting systems, find it extremely difficult to collect the data. As a result, the UNFPA/NIDI resource flows team has decided for future years to conduct the domestic survey of resource flows every two years instead of annually, as at present. This will not only lessen the reporting burden but will give respondents more time to collect the information from the regional levels. It will also provide more time for the UNFPA/NIDI project team to focus on refining the methodology for collecting sub-national and private sector data as well as for capacity-building purposes.

IV. Resource flows for other population-related activities

35. The Programme of Action of the International Conference on Population and Development outlined a comprehensive population and development agenda. It pointed out that, beyond the "costed population package", additional resources would be needed to support programmes that addressed the broader population and development objectives, including, inter alia, those that sought to strengthen the primary health-care delivery system, improve child survival, provide emergency obstetrical care, provide treatment and care of persons infected with HIV/AIDS, provide universal basic education, improve the status and empowerment of women, generate employment, address environmental concerns, provide social services, achieve balanced population distribution and address poverty eradication (paras. 13.17-13.19). No attempt was made to cost out the resources required to achieve these broad population and development goals.

36. In monitoring the flow of financial resources for assisting in the implementation of the Programme of Action, UNFPA adhered to the classification of population activities of the "costed population package", described in paragraph 13.14 of the Programme of Action. Funding for other population-related activities, such as basic health, education, poverty eradication, and women's issues, is not included in the calculations of international population assistance provided in this report. Donors have indicated that significant resource flows go to other population-related activities that address the broader population and development objectives of the Programme of Action, but they have not been costed out and are not part of the agreed target of $17 billion.

37. For example, Australia and Germany reported funding activities in the area of primary, secondary and non-formal education; health policy and administrative management; basic health care; basic health infrastructure; nutrition; health education; health personnel management; social/welfare services; and rural development. Germany also provided funding for pre-school education. Ireland reported that most of the projects that the country funded in health, education, water/sanitation and rural development included population-related elements. Italy provided funding for such activities as income generation, rural development, improvement of the status and empowerment of women, poverty reduction, human development, employment generation schemes, strengthening of the primary health-care delivery system and provision of social services. Luxembourg funded activities

to strengthen the primary health-care delivery system and the basic education sector, programmes to improve the status and empowerment of women, and programmes to preserve the environment. Sweden reported funding activities in health system development, district health care, the pharmaceutical sector, disease control, and other public health activities. The United Kingdom funded activities related to primary health care and child survival. The United States provided funding for primary health-care delivery, child survival, emergency obstetric care, basic education, including girls' and women's education, and women's empowerment. Foundations reported contributing to children's and women's health projects, providing grants for advocacy work, and funding activities related to poverty alleviation and building girls' self-esteem.

38. Experience has shown that there are difficulties in isolating the "costed population package" from the relevant population-related activities that are not included in paragraph 13.14 of the Programme of Action. The growing trend towards integration of services and the increasing use of sector-wide approaches (SWAps), particularly in health and education, make it more difficult to track the level of funding going to the "costed population package". It is also increasingly more difficult to distinguish between the four categories of population activities described in the costed package. Many data recording systems in both donor and developing countries simply do not correspond to these categories.

V. Conclusions

39. There has been some progress, albeit rather modest, in the mobilization of financial resources to achieve goals of the International Conference on Population and Development. International population assistance increased in 1999. Most significantly, there has been a sizeable increase in the 1999 level of funding from the private sector, especially foundations, as compared to 1998. Development banks, likewise, increased their loan commitments in 1999. Estimates of domestic global expenditures also increased from the 1998 level.

40. However, both donor countries and developing countries still have a long way to go before reaching ICPD goals. International population assistance was just over 38 per cent of the $5.7 billion target agreed upon at ICPD as the international community's share in financing the Programme of Action by the year 2000. Most domestic resource flows originate in a few large countries. The majority of developing countries have limited financial resources to utilize for population and reproductive health programmes and cannot generate the required funds to implement those programmes. As a result, they rely heavily on international assistance. The lack of funding remains one of the chief constraints to the full implementation of the Programme of Action.

41. The International Conference on Population and Development and the special session of the General Assembly held to mark the fifth anniversary of the Conference urged Governments and the international community to promote additional mechanisms to increase funding for population and development programmes so as to ensure their sustainability. These include advocacy for increased funding from international financial institutions and regional development banks; selective use of user fees, social marketing, cost-sharing and other forms of cost recovery; and increased involvement of the private sector. The special session

encouraged Governments of both developed and developing countries to consider implementing the 20/20 Initiative (donors commit themselves to allocating 20 per cent of their development assistance and developing countries agree to allocate 20 per cent of their development funds to improving basic social services in order to provide increased resources for broader poverty eradication objectives, including population and social sector objectives).

42. The sector-wide approach is another important mechanism for generating funds for population programmes in developing countries. It is hoped that the SWAp modality will reduce fragmentation and improve the impact and sustainability of development cooperation. To make an impact in this area, it is essential that sufficient resources are allocated to fund population activities that are part of sector-wide approaches and integrated programmes.

43. Although considerable progress has been made, the current level of resource mobilization remains far below agreed targets. While funding for population has increased since ICPD, it has not increased at a rate that would ensure mobilizing the required $17 billion by the year 2000. It is essential that all Governments, from both donor and developing countries, re-commit themselves to reaching the financial resource goals agreed to at the Conference and mobilize the additional resources needed.

Notes

[1] See *Official Records of the Economic and Social Council, 1995, Supplement No. 7* (E/1995/27), annex I, sect. III.

[2] *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex.

[3] All references to developing countries in this report include countries with economies in transition.

[4] To date, case studies have been conducted in the following countries: Brazil, China, Egypt, Ethiopia, India, Indonesia, Pakistan, Peru, Senegal, South Africa and the United Republic of Tanzania.

[5] Beginning with the 1999 round of questionnaires, UNFPA/NIDI began including data on HIV/AIDS treatment and care, because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

[6] All references to dollars are to United States dollars.

[7] Austria had not provided data on population assistance by the publication deadline. As a result, its 1999 figure is estimated at the 1998 level.

[8] Donor countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, all members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). The European Union (EU) is included with the donor countries.

[9] The share of the multilateral channel is underreported since several donors did not include expenditures (such as membership fees) to intermediate donors such as UNICEF, UNDP and UNIFEM because they were not sure what percentage of their contributions was used for activities specified in the "costed population package" of the ICPD Programme of Action.

[10] A simple estimation method was used to calculate the global figure of domestic resource flows. Results of the 1999 UNFPA/NIDI inquiry were supplemented by reports of the UNFPA/NIDI case studies and other sources, as available, including data from the 1998 and 1997 round of questionnaires, resulting in a coverage of 83 per cent of the population. Regional estimates of domestic resource flows were extrapolated based on 1999 population data and summed to yield a global total of governmental and non-governmental organization expenditures for population activities. An existing estimate of 14 per cent of the domestic total was added to include private financing in order to arrive at a crude global total for domestic flows. The results should be treated with caution because the available data are often underestimated, incomplete and not entirely comparable.